



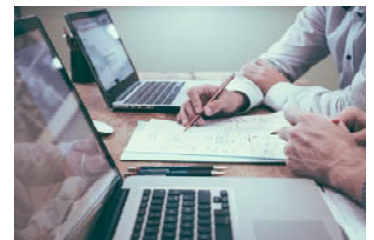
DOES YOUR TRUST HAVE A WARRANT OF FITNESS?

"Trusts are a central piece of the legal infrastructure of New Zealand... and provide an effective way to separate ownership ...from those who are to benefit from that ownership. ...use of the trust form reaches from the modest family home through to high finance. It is clear that trusts form an important part of New Zealand economic and social life."

So said the preamble to the recent review of NZ Trust Law by the Law Commission. While the exact number is unknown, estimates of the number of trusts in New Zealand range from 300,000 to 500,000, of which approximately 237,000 derive income. The Commission noted that it was quite possible that more business is conducted through trusts than companies.

During November 2016 the Ministry of Justice released the long-anticipated draft Trusts Bill for consultation. While still in draft, it sends a clear signal about the need to improve record-keeping and compliance, especially for non-professional trustees. Amongst other requirements it proposes –

- Each trustee must keep copies of:
 - The Trust Deed and any variations
 - Lists of all assets and liabilities of the trust
 - Any records of trustee decisions
 - Any written contracts
 - Any accounting records and financial statements
 - Details of appointment, removal or discharge of trustees
 - Memorandum of wishes
 - Documents kept by former trustees
- New restrictions be put in place on trustee exemption and indemnity clauses arising from trustee gross negligence.
- Trustees are required to make available sufficient information to sufficient beneficiaries to enable the terms of the trust to be enforced against the trustees.
- A duty to know the terms of the trust.
- A duty to keep proper records of the trust property that identify the assets, liabilities, income and expenses of the trust, and are appropriate to the value and complexity of that property.



SUCCESSION PLANNING

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SIMPLIFYING PAYE

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MAQ Calendars

We are again doing our complimentary tax year calendars (1 April 17 to 31 March 2018) This years theme is cars so look out for them!

SUCCESSION PLANNING SEMINAR

It is a well-known fact that the generation known as the 'baby boomers' (i.e. those aged between 50 and 70 years today) are rushing towards retirement. Many are business owners hoping to sell their business to fund their future. Who will buy their businesses? Are they ready to sell?

Succession planning is all about transferring control and ownership to others, ideally with a 'win/win' outcome. The process can seem daunting especially when you face the fact that some of your decisions will affect you, your family, other shareholders, your staff and, of course, the business customers.

Succession planning can mean different things to different people. Regardless of your situation, whether it's protecting your personal wealth or exiting a business, succession decision-making is rarely straightforward. But having MAQ behind you means it can happen as smoothly as possible.

We can provide an objective perspective and support when you're planning your future, in order to help you.

- Plan for the future
- Deal with family issues
- Structure family businesses
- Exit your business

To help you achieve your succession planning goals, we are holding a free seminar for clients on 26 April 2017 at our offices from 5.30pm to 7.00pm. To attend this seminar, simply email us at admin@maq.co.nz or call 09 438 5309.



2016 CLIENT SURVEY UPDATE

We're constantly striving to not just meet but exceed your expectations on our service and how we can help.

During May and June last year we asked you for your views on MAQ, our services, and what is important to you when dealing with us. Thank you again to all those who took the time to complete the survey.

The feedback you provided has given us valuable insight to ensure we achieve this key goal.

One outcome of the survey is an update to our branding and identity, which is shown below. The branding update reflects what you, our clients told us is important in your relationship with us and we will be implementing this change over the coming weeks. Our updated logo and identity also serves to reinforce with all MAQ staff our commitment to you. We would value any views you have on this change.



enduring relationships, professional advice!

RESIDENTIAL RENTAL

As soon as a tenant vacates your house and you switch the house to personal use, repairs and maintenance become non tax deductible, regardless of whether damage to the house has been inflicted by the tenant.

It therefore follows, as soon as you make your house available for renting, maintenance costs of the property become tax deductible. Mowing the lawns, cleaning the house, garden maintenance, rates etc would become a tax deductible cost from the time the property becomes available for letting, even though you don't yet have a tenant.



CASH JOBS

Inland Revenue have recently signalled their intention to work smarter to identify undeclared cash income, such as within the construction and contracting sectors.

This scrutiny will focus both on the businesses and on their accountants or tax agents to ensure record keeping details every job, and that accountants and tax agents directly ask clients if they have any cash jobs to declare.

The IRD are reminding everyone that the consequences of not declaring income can include tax penalties, criminal convictions or their ability to contract for work – which could have a considerable impact on their business and personal circumstances.

IN BRIEF...

GST BLITZ ON SUBCONTRACTORS

Inland Revenue says a number of clients are not registered for GST when they should be.

They are focusing on those who receive schedular payments. They say "we are undertaking an initiative to identify those clients..."



SIMPLIFYING PAYE

On 3 November 2016, Inland Revenue announced changes to PAYE effective from 1 April 2019.

- Monthly schedules are to be abolished.
- PAYE information to be filed on a payday basis.
- Dates for payment of PAYE to remain the same with the option of paying on a payday basis.
- All information to be filed electronically unless total PAYE deductions are less than \$50,000.
- Payroll subsidy to cease from 1 April 2018.

SOME KEY UPCOMING TAX DATES

- 28 March - GST returns and payments due
- 31 March - Student Loan repayments due for overseas-based borrowers
- 7 April - Terminal tax is due
- 7 May - Provisional tax instalments, student loan interim payments, GST returns and payments due